

441—10.6(541A) Requests for proposals—operation of IDAs.

10.6(1) *Review criteria used to evaluate and select proposals responding to the requests for proposals (RFP).* The department shall evaluate and select proposals submitted by operating organizations in response to the RFP based upon, but not limited to, the following criteria which shall be ongoing responsibilities of the operating organizations:

a. The project shall provide for a safe and secure investment mechanism for the individual development accounts utilizing a financial institution approved by the department.

This provision shall include assurances to contributors that a process is in place to ensure that contributions will be used for approved purposes as indicated in rule 441—10.7(541A).

In addition, upon compliance by the operating organization and financial institution with the requirements of rule 441—10.7(541A), IDA account holders who have transferred funds into another individual's IDA account and any beneficiaries of an IDA account shall sign a waiver of liability form releasing the operating organization and the financial institution from civil liability and responsibility for the wrongful withdrawals of funds by the account holder due to the account holder's false representation of the purpose of the withdrawal, resulting in the loss to the account balance of deposited principal funds, including individual and charitable contributions, transferred funds, and the state savings refund.

b. The proposed project shall have a strong relationship to goals established by other initiatives deemed a priority by the department. These goals include postsecondary education and job training leading to self-sufficiency through employment, small business entrepreneurship, safe and decent housing, and strong and healthy families.

c. The proposed project shall link the making of an account holder's contributions to an individual development account with other services provided by or outcomes identified by the operating organization in the proposal. The proposed project shall include mechanisms for the operating organizations to monitor and enforce the identified outcomes and services.

d. The operating organization shall be capable of performing the project as proposed. Minimum capabilities shall include: an ability to provide financial counseling, familiarity and ability to work with the proposed target population, and a strong record of successful management.

e. The operating organization proposal shall include a commitment to provide a significant amount of matching funds for individual development accounts.

f. The proposal shall include a monitoring and evaluation plan for certifying the proposed project's outcomes.

g. The proposal shall include acceptance by the operating organization that it shall have ongoing responsibility for:

(1) Certifying that an investment account is an individual development account based on its having the characteristics described in Iowa Code section 541A.2.

(2) Certifying annually the income status of individual development account holders for purposes of establishing eligibility to hold an IDA and the amount of contributions to each individual development account by an account holder during the tax year which is eligible for the state savings refund, as provided for in subrule 10.4(5).

(3) Recording annually the contribution amounts made by the account holder, individual and charitable contributors, and the state.

(4) Submitting information regarding individual development accounts and account holders to the department and the department of revenue as requested.

10.6(2) *Additional review criteria in the request for proposals.* The department may issue additional review criteria in the requests for proposals used to evaluate and select proposals by operating organizations for the IDA project, including, but not limited to: ability to network with other agencies or to form a communitywide consortium of agencies, if desirable, to operate IDAs; ability to form an effective working relationship with banks or other financial institutions; and ability to fund-raise.

10.6(3) *Other considerations and guidelines.* Other considerations and guidelines in implementing IDAs during the initial period are:

a. The department shall have authority to designate and limit the number of locations where IDA projects shall be implemented, taking into account demographic characteristics and geographic considerations.

b. All eligible IDA account holders are members of the target population. An account holder shall open an IDA only through the auspices of an operating organization.

c. The department may establish criteria for and offer financial grants through an application process to operating organizations previously selected through an IDA RFP process. The application shall be submitted on Form 470-3481, Application Form for Individual Development Accounts (IDA) Incentive Grants.

d. All deposits of funds to and withdrawals of funds from IDA accounts shall be made with the knowledge of the operating organization. A clear and precise audit trail on the movement of funds shall be maintained. All withdrawals of principal shall require a signature of approval from the operating organization.

e. Upon the termination of an operating organization's relationship with the IDA program, the IDA accounts under the management of that operating organization shall terminate, unless, through an agreement between that operating organization and a successor organization, the IDA accounts are managed by a successor operating organization operating in the same geographic area or operating in proximity to that geographic area. The department shall have authority to review and approve the agreement between the two operating organizations.

f. Upon the termination of an operating organization's relationship with the financial institution holding the IDA accounts, the operating organization managing the accounts shall enter into a new agreement with a successor financial institution to hold the accounts and shall arrange for the transfer of the accounts to the new financial institution. The new agreement shall be subject to the department's review and approval.

g. If an account holder moves to another location in the state, which location is not served by the operating organization under whose management the IDA account was established but is served by a different operating organization managing IDA accounts, the original operating organization shall arrange for the transfer of the account to a financial institution which has an agreement with the operating organization serving in the new location where the account holder will reside. If there is no operating organization in the new location where the account holder has moved, the IDA account shall be closed, with funds in the account distributed to the account holder, or the operating organization and the account holder may jointly agree to maintain the account under the management of the existing operating organization and financial institution. The operating organization shall provide a written notification to the department of all transfers of IDA accounts to the management of a new operating organization.